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LATIN AMERICAN TRENDS

This publication is prepared for regional specialists in the Washington community by the Western Hemisphere Division. Office of Current Intelligence, with occasional contributions from other offices within the Directorate of Intelligence. Comments and queries are welcome. They should be directed to the authors of the individual articles.

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Homage to Pan-Americanism

The San Jose conference to amend the Rio Treaty and the immediately following meeting of consultation to end the Cuba sanctions, taken together, provide an unusual perspective on the state of Latin American relations with the US.

The record of the relationship over the past year and more charts a picture of pasic antagonism. In general terms, and in the context of redefinition of power in international affairs, Latin America does indeed find its interests at odds with those of the US. The long-held tradition of "natural" alliance between the US and the rest of the hemisphere has often seemed a lost ideal as wrangling and bitterness became a commonplace accompaniment to much of the business between Washington and capitals to the south. The ambivalence that underlies Latin American attitudes toward the US has been evident for the most part in the frequent contrast between country "x"'s style of bilateral dealings with the US and its mode of operating in multilateral forums.

The meetings at San Jose over the past several weeks, however, exhibited the ambivalence en masse. The countries of Latin America, which in concert h ve regularly deplored US meddling, influence, and involvement in their affairs, have now in effect paid homage to the judgment that their basic security is naturally and inevitably linked with the US. After critically reviewing the Rio Treaty for two years, the Latin governments wanted only small alterations of the 28-year-old document, and endorsed the pact essentially as was.

One change in the treaty addressed a weakness that has long been eviden+--the requirement that sanctions imposed by a two-thirds vote can be removed only by the

same procedure. For the last two years this requirement has been ignored by over half the signatories in their relations with Cuba, but their efforts to bring the treaty's dictum in line with reality were repeatedly stymied by a blocking one-third-plus-one vote. Technically, the two-thirds rule remains in force until the amendments agreed on at San Jose are ratified by two thirds of the member governments.

As an expedient solution, the delegates in San Jose for the amendment process reconvened as the "Organ of Consultation," the necessary guise for dealing with sanctions issues, and voted a "freedom of action" resolution that leaves each OAS member's relationship with Cuba a purely bilateral affair.

Agreement on both these matters was broad. Peru and Panama, on the "leftish" end of the Latin spectrum, remained unhappy with some basic concepts of the Rio Treaty. On the conservative side, Uruguay, Chile, and Paraguay took strong exception to release of the sanctions obligations. The achievements of the two meetings left the overwhelming portion of the membership of the OAS feeling considerably more positive about the traditional inter-American system than they had in some time. The experience over all was an admission that despite the many complaints from Latin America about the role of the US, certain basic mutualities of interest have relative permanence.

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Argentina: Mrs. Peron's Status

Interior Minister Benitez, head of the so-called "mini cabinet," has gone to great lengths to assure congress and the public that President Peron is well and exercising the functions of chief executive. In published testimony given in the Chamber of Deputies, Benitez claimed that she was in the best of health, following an examination by four physicians, and was in fact merely in need of rest. Moreover, he stressed that Mrs. Peron is being directed by no one. Over the weekend the President herself made a point of appearing in public and for the first time in weeks met with reporters and press photographers.

Though Mrs. Peron has all but ceased to function as President, the question of her formal retention of the office is of some consequence. She is, after all, the constitutional successor, at a time when the government's detractors widely profess to favor constitutional solutions to the nation's problems. Moreover, as the heir of Juan Peron, she is the ceremonial and, so far, formal head of the Peronist movement, to which so many continue to pledge loyalty.

Thus the issue of Mrs. Peron's official status, as well as her health and whereabouts, continues to be politically relevant, even though power has clearly passed from her hands. Indeed, the very weaknesses of the President—the subject of endless rumors—may well be of use to the "mini cabinet," by diverting attention away from its day—to—day work at a time when the glare of publicity would only make the government's activities more difficult. In addition, the longer Mrs. Peron remains in any capacity, the more time the "mini cabinet" will have to take on administrative problems before facing the unrestrained maneuvers of political sectors vying for control. For these reasons, it is quite possible that the members of the "mini cabinet" are working hard to keep Mrs. Peron in office and in the public eye.

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Colombia: Taking On The Foreign Banks

The Colombian Government has begun a gradual process of "Colombianizing" foreign banking institutions. Under an order issued by the Superintendent of Banks, all banks operating in the country must be at least 51 percent Colombian-owned by June 30, 1978, or they will be obliged to cease operations.

Although the "Colombianization" process is reasonably leisurely and involves nothing as politically hazardous as nationalization, the Superintendent of Banks' order imposes a rigid timetable on foreign bankers. They must make a declaration of their intentions no later than this week. If they opt to remain active in Colombia, they must relinquish 5 percent interest to local participation by December 31, 1975; 20 percent by December 31, 1976; 40 percent by December 31, 1977; and 51 percent by June 30, 1978. Foreign banks operating only a branch or branches in Colombia, but wishing to remain active, must establish a local banking corporation to acquire the branch or branches in accordance with the above schedule.

The government expects the banks to resist this order and apparently intends to temper or stiffen further official action on the basis of the stand taken by the foreign banking community. The government would probably look with disfavor on any attempt to test the legality of the decree law under which the present order was issued, a move that could tempt some bankers. The Colombian Congress would very likely back the government in such a test; congressional action would be required under the international banking statutes of the Andean Pact.

A more forthcoming approach by the banking community, however, would probably be well received by the government. Although there seems little doubt that the 25X1 "Colombianization" order will eventually be carried out, the government would more than likely grant any reasonable extension of the 1978 deadline.

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Ecuador: Relations Between Government and Labor

Inflation is threatening to do serious damage to the cooperative relationship that the left-leaning Rodriguez administration has maintained with the country's labor movement over the three years of military government.

Ecuador's oil boom, which lasted from late 1972 until early this year, funneled petroleum revenues—or at least the promise of such revenues—into many working—class groups. In addition, even when inflation became a major factor in the Ecuadorean economy about six months ago, workers were generally able to cash in on the momentum of the boom years, winning most of the wage increases they sought. Now, however, with inflation in the 25 percent annual range, real wages are clearly declining and many workers—still clinging to the boom mentality—have begun to believe that oil improves the lot only of the rich. As a consequence, the number of labor disputes has increased sharply over the past year.

Minister of Welfare and Labor Ramiro Larrea, a civilian who has held that post since February 1974, as tried valiantly and in large part successfully to maintain a reasonably good relationship between the military government and labor. He has encouraged the negotiation of new labor-management agreements, the number of which has now reached about 1,500 (compared with only two in 1962). He has also prompted the government to curb the country's multitude of labor lawyers, whose inflammatory activities in the interest of self-enrichment have long outraged labor unions.

There is currently an insidious erosion of government-labor relations, however. This is a growing concern to the government, which has enjoyed a longer life

and greater popularity than most Ecuadorean regimes in large part because of the support of labor. As that support slowly declines, government leaders are almost certain to lose some of the confidence that has characterized the administration's position over the past three years. Such a change could impair the efficiency of the government or, alternatively, nudge it in the direction of authoritarianism.

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Bolivia: Church-State Difficulties

The recent expulsion of three Spanish-born nuns underscores the uneasy, if not hostile, relationship between liberal Catholics and the Banzer government.

Ignoring the government's pledge to consult church leaders before moving against church property or personnel, police in Oruro raided a parish house and arrested the nuns for allegedly harboring leaders of the illegal Bolivian Workers' Central. Interior Minister Juan Pereda justified the raid by claiming that the nuns were also concealing documents advocating armed uprisings and had money in their possession to finance such activities. Following a few days in prison the nuns were expelled amid loud protest from leading clerics.

The action is the latest in a long series of moves by President Banzer against those whom he suspects of opposing his policies. he resents the increasing involvement of clerics with student and labor groups—two sectors often hostile to his administration. Banzer's suspicions are heightened by the fact that three-fourths of Bolivia's priests and two-thirds of its prelates are foreign born. Among the most highly suspect are US priests, most of whomare associated with the progressive wing of the church. The Americans, who constitute over a tenth of the church hierarchy in Bolivia, are not only a source of government concern but also a potential target of nationalistic criticism because of their superior economic resources and their relatively comfortable living conditions.

The current government is relatively stable by Bolivian standards, and the church alone has only limited capabilities to challenge it. At the same time Banzer is sensitive to any opposition to his policies and, given the current proclivities of the liberal clergy, the church could increasingly become a serious thorn in the President's side.

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Guyana: Jagan's Offer

building a socialist state.

Cheddi Jagan, secretary general of the Marxistoriented People's Progressive Party (PPP), has reluctantly decided to provide limited political support to the ruling People's National Congress (PNC)
party
Jagan's decision appears to have resulted from pressure by Cuban Prime Minister Fidel Castro to cooperate with Guyanese Prime Minister Forbes Burnham in

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Jagan reportedly said that his party could work with other Guyanese who were interested in the country's evolution toward socialism. To this end, he said, it could support the PNC but, at the same time, would not hesitate to criticize and oppose any moves inconsistent with building a socialist society. He would continue to take the ideological initiative should Burnham's party waver in its advance toward socialism.

For some time relations between the two parties have been strained due to racial animosity between the black-based PNC and the East Indian-based PPP. Further ill feeling was added when Jagan charged Burnham with rigging the 1973 elections. As a result, the two parties have been critical of each other and unable to pursue their socialist program jointly.

At the moment, Burnham does not appear to be interested in Jagan's gesture nor do the prime minister's political plans for Guyana appear hindered or threatened. According to an earlier report, Burnham would insist that the PP? be disbanded and join the PNC before he would accept Jagan's support. Given Jagan's refusal to accept these conditions, his decision to offer limited support to the government will do little to promote cooperation or to alleviate underlying resentments.

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The Life of a Diplomat in Havana

The recent experiences of some Venezuelan officials indicate that the life of a diplomat in Havana can be aggravating even for those representing governments whose friendship the Castro regime clearly desires.

Local authorities apparently do little to help locate suitable facilities for an embassy or personal residence, and rents tend to be extremely high. The Venezuelan government, forewarned of the housing problem, recently delayed sending a permanent diplomatic mission for several months until it was assured of the availability of appropriate accommodations. In order to put pressure on Havana, the Venezuelans made it known that no Cuban embassy personnel would be welcome in Caracas until the problem was resolved.

Other irritations also face diplomats in Havana. Several Venezuelan diplomats recently asked to have some office furniture moved five miles from its place of storage to the newly established embassy. The task probably could have been completed in a few hours by a single truck; instead the Cuban government office responsible for providing services for foreign diplomatic missions sent three vans and the movers managed to stretch the job into an all-day affair. The Cubans then charged the Venezuelans \$2000 for the move.

The Venezuelan experience is not unique. It is fairly representative of troubles faced by other missions in setting up offices in Havana. The difficulties encountered by foreign diplomats are not necessarily an indication of the Castro regime's attitude toward a specific government. Rather they appear to reflect simple bureaucratic ineptitude possibly combined in some cases with a desire to gain foreign exchange. Nevertheless, such incidents run the risk of alienating diplomats

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representing countries whose friendship the Cubans otherwise have taken pains to cultivate. Venezuelan diplomats are so annoyed that one or more may demand reassignment or--failing that--may resign.

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Cuban Chronology for July 1975 July 1: A party/government delegation headed by Central Committee member Armando Acosta arrives in Lisbon. Cuban Industrial Construction Minister Angel Gomez Trueba arrives in Madrid. July 2: Venezuelan Ambassador to Cuba Adolfo Raul Taylhardat arrives to assume post. Ten federal deputies from Mexico arrive in Havana at invitation of Cuban Institute for Friendship with Peoples (ICAP). July 3: A delegation of UJC members arrives in Mexico at invitation of Mexican Socialist Party. July 4: At an impromptu press conference Mexican President Echeverria calls for "the immediate lifting of sanctions against Cuba and its entry into a just Inter-American system." July 8: Mexican National Properties Secretary Javier Alejo makes brief visit to Cuba to prepare for SELA meeting. July 9 Prime Minister Michael Manley of Jamaica arrives on an official visit. Joint communique released July 14. Soviet and Cuban Cooperation Subcommission meets in Moscow. July 10: France expels three Cuban diplomats for alleged connection with a terrorist ring. Foreign Ministry issues a protest and denial on July 22.

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July	10:	President of the National Bank of Cuba arrives in Panama City to hold a series of meetings with national and international banking authorities.
		Cuban Machinery, Development Ministers arrive in Bulgaria.
		Castro states that the CIA made various attempts on his life.
		Vice Prime Minister Flavio Bravo arrives in Belgium for economic discussions.
July	12:	Fidel Castro is elected a precandidate for delegate to the First Party Congress.
July	13:	Cuba and Jamaica establish joint Economic Commission.
July	14:	A Cuban Communist Party delegation led by the head of the Central Committee's Internal Education Department, Francisco Antonio Diaz, arrives in Prague.
July	15:	Havana Domestic Service reports on a speech Secretary Kissinger made at the University of Wisconsin World Affairs Institute. Havana describes the speech as "a violent attack on the Third World."
July 28	16-	OAS meets in San Jose.
July	21:	Portuguese Armed Forces Movement delegation headed by General Otelo de Carvalho arrives in Havana.
July	22:	Cuban Mines and Geology Minister Manuel Cespedes Fernandez arrives in Moscow.

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Week of July 24:	Alicia Alonzo performs in New York with the American Ballet Theater.
July 24:	Cuban Foreign Trade Minister arrives in Kingston.
	Cuba and East Germany sign economic and scientific cooperation agreement.
	Cubana airlines inaugurates regular service to Panama City. Cuban delegation to SELA meeting on first flight.
July 25- 28	Cuban Military Delegation headed by Chief of General Staff and First Vice Minister of MINFAR Brigade Commander Senen Casas Regueiro in Lisbon.
July 25:	Cuba, USSR sign agreement on construction of a nuclear power plant.
July 26:	Major event celebrating the 22nd anniversary of assault on Moncada Barracks held in Santa Clara. Guests include mayor of Panama City and visiting Portuguese delegation. Castro speech is a lesson in Portuguese history and a discussion of proposed administrative divisions of Cuba.
July 27:	A delegation from the National Front cf the Peoples Democratic Republic of Yemen (PDRY) arrives in Cuba.
July 28:	A party delegation headed by Isidoro Malmierca concludes a visit to Jamaica at the invitation of the People's National Party of Jamaica.

July 30:	OAS votes to end 11-year economic and
	diplomatic isolation of Cuba. (Cuban
	reaction muted. Small item on back
	page of GRANMA reporting the vote but
	no editorial comment as of August 4).

July 31: SELA meeting begins in Panama City.
Minister for Foreign Trade Marcelo
Fernandez heads Cuban delegation.